

AUGUST 23, 2011

Minutes of the monthly meeting of the Municipal Services Commission held August 23, 2011 at the office of the Commission, 216 Chestnut Street. The meeting was called to order at 4:00 P.M. with Robert S. Appleby, President, Commissioner, presiding.

Attendance Report:

Present:

Robert S. Appleby, President, Commissioner  
Daniel F. Knox, Commissioner  
Dr. Roy J. Sippel, Commissioner  
Francis L. Patterson, Secretary

MINUTES

With the concurrence of all the Commissioners the minutes of the July 27, 2011 regular monthly meeting were approved without alteration.

COMPTROLLER'S REPORT

Comptroller Patone was not present so the Commissioners reviewed her written reports. Commissioner Appleby asked about the legal expenses. Secretary Patterson answered that current legal work associated with Riverbend is covered by the previous insurance carrier and there is a claim against the current carrier for legal work done in regards to Riverbend. The Commissioners asked the Secretary about the Dobbinsville substation reconciliation. He told them the reconciliation reflects the total cost of the project including the cost of the electric SCADA system which was added later. He said there are some minor items that need to be addressed but for all intents and purposes it is an accurate portrayal of the total cost. Commissioner Knox asked if it also reflected the added cost to deal with contaminated soils. Secretary Patterson reported it did. Commissioner Appleby asked about interest DEMEC earned on the money for the project. The Secretary said DEMEC will true up at the end of the project and credit the MSC for any interest earned. The Commissioners asked if the plan is to retire some of the debt early with the surplus. The Secretary said the Comptroller and he will make a recommendation in September. Commissioner Knox next asked about the Comptroller's comments on a rate study and whether she was recommending the firm she mentions in her report. The Secretary said he believes she thinks they are a good prospect. He added that she followed through with Commissioner Appleby's recommendation to contact APPA and they gave her names but no recommendations as to other companies that might be able to do the studies. The Commissioners agreed that they need to see several proposals to do the study.

Upon motion made and unanimous approval, the Commissioners accepted the financial report for the month of July and approved the payment of the July bills attached hereto.

SECRETARY'S REPORT

Secretary Patterson reported DEMEC's monthly meeting for August was cancelled. He said the

next meeting will be the Annual Dinner on September 21, 2011 in Dover. The Secretary said the Commissioners received copies of DEMEC's monthly reports which show that actual energy costs continue to be below the billable rate. The Secretary said he expects this to be addressed at the September meeting. The Board will need to decide whether to adjust the billable rate and refund the surplus or use it to level increases in capacity cost that take effect in June 2012. He went on to say that Beasley Unit #1 operated 206 hours in July and generated a million dollars in sales plus the income from capacity. He said Delmarva reports the PJM has pushed back the date of the MAPP project to 2019/2021 and that DEMEC President McCullar feels it increases DEMEC's case for building Beasley Unit #2. The Commissioners and Secretary discussed the affects the delay in the construction of the transmission line might have on congestion pricing in Delaware.

The Commissioners upon motion made and seconded and a unanimous vote agreed to go into Executive Session to discuss legal matters pertaining to Riverbend in Old New Castle. Upon motion made and seconded and a unanimous vote the Commissioners voted to go back into General Session.

The Secretary reported in Riveredge Business Park the solar installation for Standard Distributing has been reported to be complete. The Secretary said Supervisor Spicer must check it for compliance with MSC's rules before it is activated.

The Secretary reported for Supervisor Spicer in electric. The Secretary began by discussing personal health issues Supervisor Spicer discussed with him. He informed the Commissioners of the actions he is taking. The Secretary told the Commissioners the MSC was in compliance on power factor the past month but is still monitoring circuits to affect the best configuration to maintain compliance. He said Norm Baron of Utility Engineers bid the material components for the Wilmington Road substation retrofit and the MSC approved DEMEC ordering the components. The Secretary added that R.W. Greer was installing the HVAC in the control house at the Wilmington Road substation. The Secretary said the balance of Supervisor Spicer's report is the results of the infrared thermographic inspection of the MSC's substations and distribution system by Compliance Environmental, Inc. The Secretary said the electric crew is already addressing problems that were revealed in the inspection and on Sunday night August 21, 2011 replaced a transformer behind River Plaza Shopping Center on Ferry Cut-Off that showed problems. The Commissioners looked through the report and pictures and the Secretary answered any questions they had.

The Secretary reported for Supervisor Guyer in water. He said there were fire pump tests witnessed by the MSC at buildings 300 and 700 in Centerpoint Business Park. The Secretary added that the MSC witnesses the test to see that system pressure does not fall below the state mandated level of 25 psi. The Secretary said in system improvements nothing has materially changed since the previous month. He told the Commissioners Keystone Engineering has submitted a list of cost over-runs for installation of the water SCADA system in the amount of \$28,170. The Secretary said he instructed Supervisor Guyer to determine what was and was not covered by the contract. He said he believes it is fair to pay for work that was in addition too but not to pay for work that was underestimated in the contract. The Commissioners agreed. The Secretary said the fence work at Frenchtown Road, Basin Road and Gray Street is the same as

reported the previous month. The Secretary told the Commissioners Supervisor Guyer has adjusted the altitude valve at Gray Street to prevent it from over filling.

The Secretary said the MSC was approached by the state and the Rural Water Association to accept a grant to complete its cross connection control program and act as a model on where other municipalities need to be. He explained that Supervisor Guyer developed a program far in advance of any state program because he believed it would be mandated by the state eventually. The Secretary said that day has come and without a lot of effort Supervisor Guyer's program can be implemented. After discussion the Commissioners approved allowing the MSC to accept the grant if the proposed program meets Supervisor Guyer's expectations. They also felt Supervisor Guyer should be recognized for his work.

Secretary Patterson further reported for Supervisor Guyer that A.C. Schultes, Inc. completed annual inspection and maintenance on the School Lane, Frenchtown Road and Finish Pump #3; that the MSC is working on completing its triennial lead and water testing; that the state has requested and the MSC is providing the test results for Teflon precursors and finally that Del DOT completed work to resurface School Lane.

Commissioner Knox said he did not contact Council liaison John Cochran to discuss Council's request for a larger contribution.

#### OLD BUSINESS

The Secretary said as he has reported the relays, batteries and controls have been ordered for the Wilmington Road substation. The Secretary added that the HVAC system is being installed to the Control House. He said there is work to the oil containment areas that needs to be done and additional engineering work when the new controls and relays are installed.

The Secretary said there is a meeting scheduled for September 22, 2011 with Council to discuss the Charter Changes. Commissioner Sippel said he would like to meet with the Secretary before the meeting with Council to discuss the changes. He said he also wants to meet with the Mayor and find out his feelings on the subject.

Secretary Patterson asked Commissioner Appleby if he would address the Trustees and get their go ahead to drill an exploratory well on the Penn Farm. The Secretary said he has done what the Trustees requested notifying the Mayor and Council and the Planning Commission about the request and the reasons for the request. In addition he said he met with Trustee member Chris Castagno and the new tenant Mark Chura of Delaware Greenways to discuss the impact of a well. He said he thinks it is time for the Trustees to grant permission. Commissioner Appleby said he would speak with the President of the Trustees, Tom Wilson.

#### NEW BUSINESS

There was no new business.

AUGUST MEETING

The Commissioners set the date of the next monthly meeting to be September 13, 2011 at the office of the Commission, 216 Chestnut Street.

ADJOURNMENT

By motion made and unanimous approval, the Commissioners voted to adjourn.

Approved \_\_\_\_\_  
Date

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Francis L. Patterson, IV